



SAFMR Rule Takes Effect In Days

Public housing authorities in 24 major markets are scrambling to make sense of the new Small Area Fair Market Rent rule after believing they would have at least two more years to adjust to the new routine.

The rule, designed and put into effect during the Obama administration, became the first major decision by HUD Secretary Ben Carson when he shelved the rule for two years last August.

SAFMR allows PHAs to shuffle their Section 8 vouchers to allow poor families to live in wealthy neighborhoods using enhanced vouchers to pay the higher rent. Carson saw deficiencies in the pilot program and decided to delay implementation until 2020.

A federal judge issued an injunction in December ordering HUD to implement SAFMR. The ruling says Carson lacked authority and specific reasons for the delay and he restored the rule effective Jan. 1, 2018. HUD notified PHAs in the 24 metro areas to prepare for implementation.

It remains to be seen how tough HUD will be enforcing SAFMR. But PHAs will take the brunt of reaction when a largely unresolved issue surfaces.

Section 8 housing vouchers, even with the best estimates available, will only receive a slight bounce in funding for FY 2019. At worst, funding will barely maintain existing vouchers at their current levels, let alone allow for enhanced vouchers and additional vouchers to accommodate the growing waiting lists for assistance.

The funding quandary leaves PHAs in a Catch-22 position. The agencies can decide to add more money to some vouchers, allowing a handful of families to live in housing they could not otherwise afford.

By taking money from some vouchers to supplement other vouchers, the PHA consigns the unlucky voucher holders, many living in poverty ridden, high-crime areas, to pay more rent out-of-pocket or move to cheaper housing in even poorer neighborhoods.

That, in turn, would increase the number of homeless people who, despite having some pocket money, can't afford the constantly escalating rentals costs. Voucher recipients typically pay 30%

of their income toward rent and the government pays the balance.

Therein lies the dilemma. PHAs will have to deal with tenants unable to find an apartment or home in a wealthy neighborhood because the rent generally would exceed the worth of the voucher, even in its enhanced status..

At the same time, PHAs face a more rigorous regimen administering Section 8 without sufficient staff decimated by continued reduction in funding for administration. For years, Section 8 has been administered with only 70% of the funding needed to properly oversee the program.

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